

## Message Text

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ACTION ARA-06

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 6628

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E.O. 11652: N/A

TAGS: PFOR, PN

SUBJ: CONGRESSIONAL Q&A'S ON PANAMA: VII OTHER SUBJECTS

FOR ARA/PAN - MINSTER BELL

THIS IS THE SEVENTH MESSAGE OF A SERIES CONTAINING  
POSSIBLE QUESTIONS AND SUGGESTED RESPONSES FOR USE IN CONGRESSIONAL  
HEARINGS ON PANAMA. THIS MESSAGE CONTAINS QUESTIONS AND RESPONSES  
ON SUBJECTS LISTED BELOW WHICH WE FEEL COULD ARISE AND WHICH  
ARE NOT COVERED IN OTHER MESSAGES IN THIS SERIES.

### 1. EDUCATIONAL REFORM:

Q. CAN THE CURRENT EDUCATION REFORM POLICY IN PANAMA  
BE DESCRIBED AS MARXIST?

A. THE EFFORTS OF EDUCATION REFORM IN PANAMA HAVE BEEN  
DIRECTED TOWARD CENTRALIZING THE ADMINISTRATIVE APPARATUS OF  
THE PANAMANIAN EDUCATIONAL SYSTEM AND THE DEVELOPMENT AND  
DISTRIBUTION OF CURRICULAR MATERIALS, AND THE EXTENSION OF  
EDUCATIONAL FACILITIES INTO RURAL AREAS PREVIOUSLY NEGLECTED BY  
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THE EDUCATIONAL SYSTEM. IN ADDITION, GREATER EMPHASIS HAS BEEN

GIVE TO VOCATIONAL EDUCATION AND TAILORING EDUCATIONAL CURRICULA TO THE PARTICULAR NEEDS OF STUDENTS (E.G., THOSE STUDENTS IN AGRICULTURAL AREAS).

CRITICISM AND OPPOSITION TO EDUCATION REFORM STEM MORE FROM INSTITUTIONAL RESISTENCE OF PREVIOUSLY DECENTRALIZED SCHOOL DISTRICTS, AND THE RELUCTANCE OF PARENTS, EDUCATORS AND ADMINISTRATORS

TO MOVE AWAY FROM THE TRADITIONAL EUROPEAN LYCEE MODEL OF EDUCATION AND CURRICULUM RATHER THAN ANY MANIFEST MARXIST ORIENTATION OF SCHOOL TEXTS OR CURRICULUM.

THE AGENCY FOR INTERNATIONAL DEVELOPMENT, WHICH IS CURRENTLY PROVIDING AN ELEVEN MILLION DOLLAR LOAN TO ASSIST IN THE CONSTRUCTION OF SCHOOLS, TEACHER TRAINING AND THE DEVELOPMENT OF EDUCATIONAL CURRICULA HAS FAVORABLY REVIEWED THE OBJECTIVES AND ACCOMPLISHMENTS OF THE MINISTRY EDUCATIONS' REFORM PROGRAM. THE EMBASSY HAS ALSO FOUND NOTHING TO DATE WHICH COULD CHARACTERIZE THE EDUCATION REFORM PROGRAM AS MARXIST.

2. CORRUPTION:

Q. THERE ARE WIDESPREAD STORIES THAT CORRUPTION IS RAMPANT IN PANAMA, THAT THE TORRIJOS GOVERNMENT IS CORRUPT AND THAT TORRIJOS HIMSELF IS LARGELY DEVOTING HIS TIME IN POWER TO ENRICHING HIMSELF AND HIS CRONIES. WOULD YOU COMMENT?

A. WE ARE FAMILIAR WITH THESE ALLEGATIONS. SPECIFICS IN SUCH CASES ARE USUALLY DIFFICULT OR IMPOSSIBLE TO PROVE OR DISPROVE IN ANY DEFINITIVE SENSE. ACCORDINGLY, I WILL REFRAIN FROM COMMENT SPECIFICALLY ON THE MANY STORIES, BASED ON HEARSAY, WHICH ARISE FROM TIME TO TIME.

NO GOVERNMENT ANYWHERE IS TOTALLY FREE OF SOME TAIN OF CORRUPTION, AND IT WOULD BE FOOLISH FOR ANYONE TO EXPECT THAT PANAMA'S IS ABNORMALLY PURE IN THIS RESPECT. SOME OF THE STORIES THAT KICK AROUND THE RUMOR CIRCUIT MAY BE TRUE. SOME PROBABLY HAVE ELEMENTS OF TRUTH BUT ARE DISTORTED. MANY ARE PALPABLY FALSE, AND CREDIBLE ONLY TO A PERSON SO TOTALLY OPPOSED TO PANAMA'S CURRENT GOVERNMENT THAT HE WILL BELIEVE ANYTHING BAD ABOUT IT.  
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OUR OPINION IS THAT THE REAL SITUATION REFLECTS NONE OF THE MOST EXTREME CASES.

WE HAVE SEEN NOTHING TO INDICATE THAT THE NORMAL FUNCTIONS OF GOVERNMENT IN PANAMA ARE IMPAIRED BY CORRUPTION. WE KNOW OF NOTHING TO INDICATE THAT CORRUPTION MIGHT HAVE ANY EFFECT ON PANAMA'S FOREIGN POLICY AND RELATIONS, AND PARTICULARLY ON THOSE ASPECTS OF ITS POLICY MOST DIRECTLY OF INTEREST TO THE UNITED STATES.

BASED ON THE SUPERVISION AND AUDIT WHICH US GOVERNMENT FUNDS RECEIVE, WE ARE CONFIDENT THAT THERE HAVE BEEN NO INSTANCES OF CORRUPTION SURROUNDING THE DISPOSITION OR USE IN PANAMA OF ASSISTANCE WHICH WE HAVE PROVIDED THERE.

IN TERMS OF PANAMA'S DOMESTIC POLITICS, WE ARE AWARE THAT CHARGES OF CORRUPTION, WHETHER OR NOT WELL-FOUNDED, ARE A STAPLE ITEM IN THE CONVERSATIONAL ARSENAL OF PERSONS FORMERLY IN POWER WHO ARE NOW OPPOSED TO THE CURRENT GOVERNMENT. WE DO NOT BELIEVE ANY CORRUPTION IN GOVERNMENT THAT MAY EXIST HAS REACHED THE STAGE OF CAUSING MASSIVE POPULAR REJECTION OF THAT GOVERNMENT. PANAMA HAS TAKEN, AND IS TAKING, STEPS TO MOVE AGAINST CORRUPTION. WHETHER OR NOT THESE STEPS ARE SUFFICIENT IS SOMETHING THAT THE GOVERNMENT AND PEOPLE OF PANAMA MUST DECIDE FOR THEMSELVES.

IN SHORT, WE DO NOT BELIEVE THAT PANAMA IS A SPECIAL CASE, EITHER POSITIVELY OR NEGATIVELY, IN REGARD TO THIS MAJOR GENERIC PROBLEM OF GOVERNMENTS EVERYWHERE. NOR DO WE BELIEVE THAT THE ISSUE OF CORRUPTION HAS ANY DIRECT RELEVANCE TO US INTERESTS ON THE ISTHMUS.

WE ARE NOT, AND SHOULD NOT, AND CANNOT BECOME, THE GUARDIAN OF PUBLIC MORALITY IN PANAMA.

### 3. CURRENT STATUS OF PANCANAL EMPLOYEES:

Q. WE UNDERSTAND THAT THE PANAMA CANAL COMPANY IS TAKING, OR HAS TAKEN, A SERIES OF MEASURES WHICH ERODE THE BENEFITS AND PRIVILEGES OF ITS AMERICAN EMPLOYEES. THESE INCLUDE PLACEMENT OF NON-AMERICAN STUDENTS AND TEACHERS IN AMERICAN CANAL ZONE SCHOOLS, EROSION OF ALLOWANCES, LEAVE BENEFITS, DISCRIMINATION IN FAVOR OF PANAMANIAN EMPLOYEES, ETC. HAVE THESE MEASURES BEEN SOUGHT, REQUESTED OR SUGGESTED BY THE US NEGOTIATORS IN LIMITED OFFICIAL USE

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PREPARATION FOR THE SITUATION WHICH MAY EXIST UNDER A NEW TREATY? SHOULD WE NOT BE CONSIDERING HOW TO PROTECT THE CANAL'S EMPLOYEES FROM SUCH ANTICIPATORY MEASURES?

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ACTION ARA-06

INFO OCT-01 ISO-00 SS-14 PM-03 SP-02 L-01 H-01 INR-05

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E. THE NEGOTIATORS HAVE NOT SOUGHT, REQUESTED OR SUGGESTED ANY OF THE MEASURES OF WHICH YOU SPEAK. THEY ARE NORMALLY INFORMED ABOUT, NOT CONSULTED ON, ANY DECISIONS WHICH RELATE TO THE CURRENT OPERATION AT THE CANAL. THEIR MANDATE IS TO NEGOTIATE A NEW TREATY. THE STEPS WHICH MAY BE UNDERWAY AT THIS TIME IN THE CANAL ZONE ARE A MATTER WITHIN THE SOLE COMPETENCE OF THE GOVERNOR, AND WE WOULD RESPECTFULLY DEFER FURTHER COMMENT TO HIM. NEITHER DO THE NEGOTIATORS PLAN OR INTEND TO REQUEST ANY STEPS OR ACTIONS RELATING THE CANAL'S EMPLOYEES, AND THEIR STATUS AND BENEFITS, IN ANTICIPATION OF ANY THE POSSIBLE TERMS OF A NEW TREATY; RUNNING THE CANAL UNTIL A NEW TREATY IS CONCLUDED IS THE PROVINCE OF GOVERNOR PARFITT AND HIS STAFF, AND THE NEGOTIATORS HAVE NO INTENTION OF TRYING TO INTERVENE.

4. Q. YOU SAY THE NEGOTIATORS. DOES THE US EMBASSY IN PANAMA, OR THE STATE DEPARTMENT, REQUEST THESE THINGS TO PLACATE THE PANAMANIAN?

A. NO. FIRST, MANY OF THE THINGS YOU MENTION, APPLYING AS THEY DO TO THE INTERNAL OPERATION OF THE CANAL ZONE, ARE MATTERS OF MONUMENTAL DISINTEREST TO THE PANAMANIAN PUBLIC. SECOND, THE GOVERNOR IS THE SOLE RESPONSIBLE OFFICIAL AS REGARDS OPERATING THE CANAL AND GOVERNING THE CANAL ZONE. HE KEEPS THE LIMITED OFFICIAL USE

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US EMBASSY INFORMED OF HIS DECISIONS, AND SOMETIMES REQUESTS ITS ADVICE OR ASSISTANCE REGARDING MEASURES HAVING DIRECT IMPLICATIONS FOR OUR RELATIONS WITH PANAMA. THE EMBASSY DOES NOT, AND CANNOT, TELL HIM WHAT TO DO.

5. LABOR STATUS UNDER A NEW TREATY:

Q. WHAT PLANS EXIST TO ASSURE THAT THE CANAL'S LABOR FORCE WILL BE PROTECTED UNDER A NEW TREATY? WILL THERE A LABOR ANNEX, AS THERE WAS TO THE 1967 DRAFT?

A. THIS MATTER HAS NOT YET BEEN DISCUSSED IN THE CURRENT SERIES OF NEGOTIATIONS. THIS, I MAY ADD, IS EMPHATICALLY NOT BECAUSE EITHER THE UNITED STATES OR THE PANAMANIAN NEGOTIATORS ARE INSENSITIVE TO THE ISSUE. NOR ARE THEY PREPARING TO USE THESE EMPLOYEES AS BARGAINING CHIPS IN A GAME OF INTERNATIONAL NEGOTIATIONS.

THE ISSUE WHICH HAVE BEEN DISCUSSED TO THE PRESENT, AND ARE STILL BEING DISCUSSED, ARE THOSE ON WHICH THERE HAS BEEN BASIC, FUNDAMENTAL DISAGREEMENT BETWEEN THE UNITED STATES AND PANAMA WHICH HAD TO BE RESOLVED IN ORDER TO HAVE A NEW TREATY AT ALL. THE STATUS OF THE CANAL'S AMERICAN AND PANAMANIAN LABOR FORCE IS SIMPLY NOT THIS DIVISIVE AN ISSUE BETWEEN THE TWO GOVERNMENTS. BOTH RECOGNIZE OUR MUTUAL BASIC INTEREST IN THE CONTINUED EFFICIENT FUNCTIONING OF THE CANAL, AND THAT THIS WILL REQUIRE MAINTAINING THE COMPETENCE, QUALITY AND EXPERIENCE OF THE CANAL'S TOTAL LABOR FORCE. THUS, NEITHER SIDE HAS ANY CONCEIVABLE INTEREST IN IGNORING, OR DAMAGING, THE LABOR FORCE, AND BOTH HAVE AN INTEREST IN PRESERVING IT.

THERE MAY BE, AND ALMOST CERTAINLY WILL BE, CONSIDERABLE DISCUSSION AS TO HOW THIS CAN BEST BE DONE. MANY DETAILS WILL HAVE TO BE CONSIDERED. FOR INSTANCE, YOU INQUIRED ABOUT A LABOR ANNEX. WE HAVE NOT YET EVEN DISCUSSED WHETHER STATUS OF THE LABOR FORCE MIGHT BEST BE ADDRESSED IN THIS OR IN SOME OTHER EQUALLY SATISFACTORY WAY. ALL THAT WE CAN SAY AT THIS TIME IS THAT NEGOTIATORS FOR BOTH SIDES ARE CONSCIOUS THAT THIS ISSUE WILL HAVE TO BE CONSIDERED, AND WILL BE DOING SO. THE NEGOTIATORS ARE WELL AWARE THAT NO TREATY COULD BE PREPARED AND SUBMITTED TO THE CONGRESS WITHOUT THIS ISSUE HAVING LIMITED OFFICIAL USE

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BEEN CONSIDERED. WE ARE CONFIDENT THAT WHEN CONSIDERED, THE MANY AND COMPLEX ASPECTS OF THE LABOR QUESTION WILL BE RESOLVED ON THE BASIS THAT IT IS IN NO ONE'S INTEREST TO UNJUSTLY PENALIZE ANY EMPLOYEE OF THE CANAL BECAUSE HE IS WORKING FOR IT WHEN A NEW TREATY COMES INTO FORCE.  
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